



**News Flash** - It's seasonal flu time again! If you have Medicare patients who haven't yet received their flu shot, you can help them reduce their risk of contracting the seasonal flu and potential complications by recommending an annual influenza and a one-time pneumococcal vaccination. Medicare provides coverage for flu and pneumococcal vaccines and their administration. – And don't forget to immunize yourself and your staff. Protect yourself, your patients, and your family and friends. Get Your Flu Shot – Not the Flu! Remember - Influenza vaccination is a covered Part B benefit but the influenza vaccine is NOT a Part D covered drug. Health care professionals and their staff can learn more about Medicare's coverage of adult immunizations and related provider education resources, by reviewing Special Edition *MLN Matters* article SE0748 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0748.pdf> on the CMS website.

MLN Matters Number: MM5830

Related Change Request (CR) #: 5830

Related CR Release Date: December 14, 2007

Effective Date: January 1, 2008

Related CR Transmittal #: R49GI

Implementation Date: January 7, 2008

## Update to Medicare Deductible, Coinsurance and Premium Rates for 2008

### Provider Types Affected

Providers who bill Medicare contractors (fiscal intermediaries (FI), regional home health intermediaries (RHHI), Medicare Administrative Contractors (A/B MAC), durable medical equipment Medicare Administrative Contractors (DME MAC) and carriers) for care rendered to Medicare beneficiaries.

### What You Need to Know

CR5830, from which this article is taken, instructs Medicare contractors to update the claims processing system with new Medicare rates for deductible, coinsurance and premium payment amounts for CY 2008, as published in the Federal Register, CMS-8033-N, on October 2, 2007.

### Background

The details of CR5830 follow:

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

## 2008 Part A – Hospital Insurance (HI)

Beneficiaries who use covered Part A services may be subject to deductible and coinsurance requirements.

### Hospital

- A beneficiary is responsible for an inpatient hospital deductible amount, which is deducted from the amount that the Medicare program pays the hospital for inpatient hospital services it furnishes in an illness episode.
- When a beneficiary receives such services for more than 60 days during an illness encounter, he or she is responsible for a coinsurance amount that is equal to one-fourth of the inpatient hospital deductible per-day for the 61<sup>st</sup>-90<sup>th</sup> day spent in the hospital.

*Please note that an individual has 60 lifetime reserve days of coverage, which they may elect to use after the 90<sup>th</sup> day in a spell of illness. The coinsurance amount for these days is equal to one-half of the inpatient hospital deductible.*

### Skilled Nursing Facility

- A beneficiary is responsible for a coinsurance amount equal to one-eighth of the inpatient hospital deductible per day for the 21<sup>st</sup> through the 100<sup>th</sup> day of Skilled Nursing Facility (SNF) services furnished during a illness episode.

These details are summarized in table 1A, below.

**Table 1A**

2008 Part A – Hospital Insurance (HI)			
<b>Deductible</b>	\$1,024.00		
<b>Coinsurance</b>	<b>Hospital</b>		<b>Skilled Nursing Facility</b>
	<b>Days 61-90</b>	<b>Days 91-150 (Lifetime Reserve Days)</b>	<b>Days 21-100</b>
	\$256.00	\$512.00	\$128.00

Most individuals age 65 and older (and many disabled individuals under age 65) are insured for Health Insurance (HI) benefits without a premium payment. In addition, the Social Security Act provides that certain aged and disabled persons who are not insured may voluntarily enroll, but are subject to the payment of a monthly Part A premium.

Since 1994, voluntary enrollees may qualify for a reduced Part A premium if they have 30-39 quarters of covered employment. When voluntary enrollment takes place more than 12 months after a person's initial enrollment period, a 2-year 10% penalty is assessed for every year they had the opportunity to (but failed to) enroll in Part A.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Details of this coverage are summarized in table 1B, below.

**Table 1B**

Voluntary Enrollees Part A Premium Schedule	
Base Premium (BP)	\$423.00 per month
Base Premium with 10% Surcharge	\$465.30 per month
Base premium with 45% Reduction	\$233.00 per month (for those who have 30-39 quarters of coverage)
Base premium with 45% Reduction and 10% surcharge	\$256.30 per month

### 2008 Part B - Supplementary Medical Insurance (SMI)

Under Part B, the Supplementary Medical Insurance (SMI) program, all enrollees are subject to a monthly premium. In addition, most SMI services are subject to an annual deductible and coinsurance (percent of costs that the enrollee must pay), which are set by statute. Further, when Part B enrollment takes place more than 12 months after a person's initial enrollment period, there is a permanent 10% increase in the premium for each year the beneficiary had the opportunity to (but failed to) enroll.

For 2008, the standard premium for SMI services is \$96.40 a month; the deductible is \$135.00 a year; and the coinsurance is 20%.

You should be aware that the Part B premium is influenced by the beneficiary's income. This influence is summarized in Table 2.

**Table 2**

Income Parameters for Determining Part B Premium			
Premium per month	Individual Income*	Joint Income (Married)^	Married but file Separate#
\$ 96.40	\$ 82,000.00 or less	\$164,000.00 or less	\$82,000.00 or less
\$122.20	\$ 82,000.01 - \$102,000.00	\$164,000.01 - \$204,000.00	
\$160.90	\$102,000.01 - \$153,000.00	\$204,000.01 - \$306,000.00	

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

\$199.70	\$153,000.01 - \$205,000.00	\$306,000.01 - \$410,000.00	\$82,000.01 - \$123,000.00
\$238.40	\$205,000.01 or more	\$410,000.01 or more	\$123,000.01 or more

**\*Individual Income** = Beneficiaries who file an individual tax return (including those who are single, head of household, qualifying widow(er) with dependent child, or married filing separately who lived apart from their spouse for the entire taxable year)

**^Joint Income** = Beneficiaries who are married and lived with their spouse at any time during the taxable year, and also file a joint tax return.

**#Married but File Separate** = Beneficiaries who are married and lived with their spouse at any time during the taxable year, but file a separate tax return from their spouse

## Additional Information

---

You can find the official instruction, CR 5830, issued to your Medicare contractor by visiting <http://www.cms.hhs.gov/Transmittals/downloads/R49GI.pdf> on the CMS website.

If you have any questions, please contact your Medicare contractor at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.